



The Community Foundation
FOR GREATER ATLANTA

connecting passion with purpose

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May 18, 2012

RE: Hearing on Tax Exempt Organizations

House Ways and Means Committee

Subcommittee on Oversight, May 16, 2012

Dear Chairman Boustany, Representative Lewis and members of the Committee:

My name is Alicia Philipp and I am the President of one of the nation's largest community foundations, The Community Foundation for Greater Atlanta. We are a philanthropic foundation that holds nonprofit status. Our foundation has more than 700 individual and family donors who have created 1,126 donor-advised funds. In 2011, we accepted approximately \$72 million in gifts to new and existing funds with the majority of gifts coming from our donors through their donor-advised funds. In addition, we have several unrestricted, competitive grant-making programs. These funds are distributed among nonprofits in our 23-county metropolitan region.

In 2011, the Community Foundation granted an estimated \$73 million to nonprofit and faith-based organizations. These grants are primarily made via donor recommendations through their donor-advised funds, our unrestricted, competitive grant programs and through multiple community initiatives. More than 85% of the \$73 million in grants were made via donor-advised funds. Our unrestricted and field of interest competitive grant-making programs prioritize general operating support and nonprofit governance, accountability and transparency. The grants range from small awards to church sponsored food pantries in rural Morgan County to larger grants to organizations such as the Visiting Nurse Health System which provides care medical care to thousands in the region.

I'd like to speak on two issues. First, is my strong appeal that the **IRA charitable rollover be permanently extended and expanded to remove limitations on the age of donors, the size of gifts and the inclusion of donor-advised funds, supporting organizations and private foundations.**

PRESIDENT
Alicia Philipp

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In 2011, the pay-out from donor-advised funds at our Foundation was 14%. Reinstating these incentives offers taxpayers enhanced reasons for charitable giving – and is likely to increase those gifts. I do not need to detail for each of you the trials our economic crisis has had on the “least of these” among us. The organizations we fund are universally engulfed with higher requests for services and often from new populations – long-term unemployed, veterans, young adults leaving the foster care system.

Second, I’d like to address the concerns expressed by several members of the subcommittee regarding the tax-advantage position and the lack of regulation upon the nonprofit sector. Historically, the nonprofit sector has occupied the space between individuals, governments and markets. It has served as a platform for our national value of charitable giving and volunteerism. The sector has provided citizens with an organized sphere from which a diversity of social values and individual interests have been honored and directed toward wide social benefit. In exchange, the sector relinquishes its opportunity to be profitable – to build its strengths in the same manner available to our manufacturers, retailers, markets. There are multiple federal and state regulations to monitor this system.

In addition, funders such as the Community Foundation for Greater Atlanta demand a high level of financial stewardship, informed and strong governance from all our grantees. This is one of the methods we employ to provide leadership in the local nonprofit community.

Once again, thank you for the opportunity to share these thoughts with you. Please let me know if I can provide any other useful information for your inquiries in this matter.

Sincerely,

Alicia Philipp

President